

GOVERNOR BARBOUR: FY 2010 BUDGET PRUDENT, BALANCED

Education, Medicaid Funded, But Cautionary Note Sounded For Future

Jackson, Mississippi – The Fiscal Year 2010 budget adopted in a Special Session of the Mississippi Legislature reflects many of the priorities and conservative principles outlined by Governor Haley Barbour when he summoned lawmakers back to Jackson.

“While not all issues are resolved, overall this is a prudent, balanced budget that I believe will serve the state’s taxpayers, agencies and their constituents well for the next fiscal year. I am especially pleased the Legislature accepted my proposal to carry forward \$60 million from the Health Care Expendable Fund as a cushion against the revenue shortfalls that are expected next year,” Governor Barbour said.

“I appreciate the hard work it took to reach a consensus on many issues and want to thank legislators like Senators Alan Nunnelee and Hob Bryan and House members Robert Johnson and Johnny Stringer as well as Lt. Gov. Phil Bryant and House Speaker Billy McCoy,” he said.

But, sounding a cautionary note, Governor Barbour said this budget contains so much federal stimulus money that “we must learn to wean ourselves from it soon, as it ends after next year.”

Spending on all three levels of education will be the highest ever, but the federal stimulus funds make that possible. The Mississippi Adequate Education Program, including national board certification teacher pay, is fully funded.

Medicaid, the state-managed health care program, was reauthorized and funded partially through reinstatement of a hospital assessment that will start at \$60 million in FY 2010 and rise to \$90 million by FY 2012. In addition, the Legislature curtailed efforts to strip from the Medicaid law strong management features designed to prevent the program from running a deficit.

Governor Barbour also said he has used his constitutional partial veto authority to eliminate parts of seven Fiscal Year 2010 appropriations bills passed in the Special Session.

The vetoed items include:

- \$500,000 from the New Capitol Repair and Renovation Fund, which is funded by fees from the purchase of NASCAR vanity car tags, to pay the costs of any legislative special sessions called during Fiscal Year 2010. (Section 5 of House Bill 45 and Section 18 of House Bill 58)

“These funds are meant to be used for repair and renovation of the New Capitol, Old Capitol Museum, Governor’s Mansion and War Memorial Building, and should be used for those historic preservation purposes,” Governor Barbour said. When a special session is called during FY 2010 the Governor said he will work with legislative leaders to ensure that funds are made available to pay its cost.

- \$7 million from the state’s Rainy Day Fund to flow through the Department of Mental Health in support of Community Mental Health Centers. (Section 25 of Senate Bill 2046)
- \$100,000 from the state’s Rainy Day Fund that would have been earmarked to the Mississippi Technology Alliance. (Section 12 of Senate Bill 2048)

“Early in the budget process the House and Senate reached an agreement with the Governor that no more than \$95 million of Rainy Day Funds (about one-fourth of the current balance) would be used in FY 2010. These appropriations would exceed that amount, plus, these funds will be needed in FY 2011 and beyond.

- \$2 million from the Department of Finance and Administration’s Office of Building, Grounds and Real Property Management fund to support the Mississippi Gaming Commission. (Section 3 of Senate Bill 2047)

“The policy decision was made by the Legislature, with the agreement of the Mississippi Gaming Commission, to transition the Gaming Commission from a general fund agency to a special fund agency with funds generated from fees paid by regulated entities. I agree with that decision, and the appropriation I’ve vetoed is clearly inconsistent with such a policy,” Governor Barbour said. “In addition, this DFA fund contains agency funds that are already obligated and we must not raid obligated funds.”

- Two sections of the Department of Public Safety appropriation bill that would restrict the authority of the DPS Commissioner to manage effectively. (Sections 20 and 22 of Senate Bill 2041)

“Some of the debate on this bill focused on overtime pay for troopers; DPS has the capability to handle this, and I am confident it will be handled appropriately. It is essential that the Commissioner of Public Safety, not the Legislature, has the authority and flexibility to effectively manage the Highway Patrol and other agencies within DPS; these vetoed sections infringed on that policy,” Governor Barbour said.

- A section of the Mississippi Motor Vehicle Commission appropriation because it engrafts general legislation in an appropriations bill.

“The engrafted legislation in this appropriation bill clearly encroaches on duties assigned to the commission by state law,” Governor Barbour said. (Section 3 of Senate Bill 2012)

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